

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 423 - HB 494**

February 24, 2019

**SUMMARY OF BILL:** Repeals the ammunition tax imposed on shotgun shells and metallic cartridges.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$455,300/Wildlife Resources Fund**

**Decrease State Expenditures - \$19,900/Wildlife Resources Fund**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 70-3-101, the ammunition tax is a special privilege tax equal to 10 cents per individual container of all center-fire ammunition, 10 cents per individual container on all shotgun shells, and 10 cents per individual container of all rim-fire ammunition.
- The ammunition tax is administered by the Tennessee Wildlife Resource Agency (TWRA) and all proceeds are deposited in the Wildlife Resources Fund (WRF).
- The average annual collections from this tax over the last three years are \$455,308.
- Therefore, the recurring decrease in state revenue to the WRF is estimated to be \$455,308.
- According to TWRA, the cost of printing and shipping the stamps was approximately \$19,906; therefore, the recurring decrease in state expenditures to WRF will be \$19,906.
- According to TWRA, the Agency's licensing division handles the imposition and collection of the tax. Therefore, the repeal of the tax is not expected to result in a decrease in expenditures associated with staffing.
- Federal funding is allocated to each state based on two factors: geographic size of the state and the number of paid license holders. Repealing the ammunition tax is estimated to not result in a significant decrease in federal funding for the WRF.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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